

APPROVED FOR
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Department of State

TELEGRAM

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~~IN AMEMBASSY VIENTIANE~~
TO SECSTATE WASHDC IMMEDIATE 6287
INFO AMEMBASSY BANGKOK 1688
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JOINT STATE-USAID MESSAGE

1. THIS MORNING AIR AMERICA VIENTIANE-BASED PILOTS AND AIR CREW MEMBERS WENT ON STRIKE IN PROTEST OF CHANGE IN CONDITIONS WARRANTING HAZARDOUS PAY WHICH RESULTS IN DECREASE (SUBSTANTIAL IN SOME CASES) IN THEIR TAKE-HOME PAY. INCREASED SECURITY IN MANY PARTS OF LAOS WHICH FORMERLY HELD TO BE HAZARDOUS FLYING AREAS (PREDOMINANTLY OCCUPIED BY HOSTILE POPULACE) FORMS BASIS FOR NEW FORMULA FOR HAZARDOUS FLYING. NEVERTHELESS PILOTS AND CREW MEMBERS DESIRE RETENTION STATUS QUO.

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2. CONTINENTAL AIR SERVICES PILOTS AND CREW MEMBERS ARE IDENTICALLY AFFECTED BY DECISION TO CHANGE HAZARDOUS PAY CONDITIONS. CONTINENTAL PILOTS AND CREW MEMBERS ALSO VOCAL IN THEIR PROTEST BUT CONTINENTAL MANAGEMENT PERSUADED THEM TO CONTINUE FLYING WITH PROMISE TO INVESTIGATE POSSIBILITIES OF ADOPTING MORE LENIENT FORMULA.

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3. AA LOCAL MANAGEMENT NOT ENTHUSIASTIC ABOUT IMPLEMENTING CHANGE AND WAITED UNTIL LAST MINUTE TO INFORM EMPLOYEES. THIS MANAGEMENT'S ABRUPT NOTICE AND INEPT HANDLING RESULTED IN EMOTIONALISM ON PART OF EMPLOYEES AND LED TO STRIKE. LOCAL MANAGEMENT HAS SOUGHT GUIDANCE FROM PRINCIPALS. JAMES WALKER, VICE PRESIDENT IN CHARGE OF FLYING CONTRACTS, SCHEDULED ARRIVE VIENTIANE TOMORROW TOGETHER WITH CAPT FRED WALKER, CHIEF PILOT. HUGH GRUNDY, AA PRESIDENT, HAS CABLED THAT COMPANY PREPARED CONSIDER BRIEVANCES AND WITH CONCURRENCE US GOVERNMENT WILL MAKE ADJUSTMENTS WHERE WARRANTED. IN MEANTIME HE EXPECTS EMPLOYEES FULLFILL OBLIGATIONS AND DEMONSTRATE LOYALTY.

4. PILOTS REPRESENTATIVE JAMES FOX, AA CO-PILOT, MET WITH DCM

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 YESTERDAY AND PROVIDED HIM WITH SIGNED STATEMENT THAT PILOTS AND CREWS WOULD FLY EMERGENCY FLIGHTS AS WELL AS ANY OTHER FLIGHTS DEEMED IN BEST INTEREST USE WHEN SO DESIGNATED BY AMBASSADOR OR DCM. DCM ACKNOWLEDGED RECEIPT AND STRESSED THAT PROBLEM LAY ESSENTIALLY BETWEEN EMPLOYEES AND MANAGEMENT AND THAT EMBASSY DID NOT INTEND INTERFERE IN NEGOTIATIONS. DCM DID OBSERVE HOWEVER THAT IT APPEARED COMMUNICATIONS HAD BROKEN DOWN BETWEEN EMPLOYEES AND MANAGEMENT RESULTING IN INCOMPLETE FACTS ON BOTH SIDES. HE URGED THAT RENEWED EFFORTS TO NEGOTIATE BE UNDERTAKEN.

5. MEETING HELD SIX P.M. LAST NIGHT BETWEEN EMPLOYEES AND LOCAL MANAGEMENT INCONCLUSIVE AND THEREFORE PILOTS AND CREW MEMBERS FAILED APPEAR THIS MORNING. ANOTHER MEETING CONVENED 1500 TODAY TO STUDY MR. GRUNDY'S REPLY (PARA 3 ABOVE).

6. OUR RICE DROPS BEING HANDLED BY CONTINENTAL VIENTIANE UDORN-BASED AA WILL WITH TWO AIRCRAFT AT THEIR DISPOSAL MAKE OTHER VITAL SUPPORT FLIGHTS. WE ESTIMATE THAT WE CAN GET BY WITH THIS ARRANGEMENT FOR THE NEXT DAY OR SO. BUILD-UP AT PEPPERGRINDER AND REQUIREMENTS FOR OTHER SUPPLIES WILL PLACE

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HEAVY PRESSURE ON US THEREAFTER, EVEN ASSUMING THAT THE MILITARY SITUATION DOES NOT SUDDENLY REQUIRE SUBSTANTIALLY INCREASED SUPPLIES.

7. WE INTEND TO MAINTAIN OUR POSTURE OF LISTENING TO BOTH SIDES, ENCOURAGE COMMUNICATIONS BETWEEN TWO AND REFRAIN FROM INTERFERING. WE SHALL AWAIT OUTCOME OF EFFORTS BY WALKER TO RESOLVE SITUATION AND REASSESS OUR POSITION AT THAT TIME IF NECESSARY.

GP-1 SULLIVAN

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